

Senate File 432 - Introduced

SENATE FILE 432

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1243)

A BILL FOR

1 An Act relating to the administration of the tax and related
2 laws of the department of revenue, including administration
3 of income taxes, sales and use and excise taxes, an
4 environmental protection charge, and property taxes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
INCOME TAXES

Section 1. Section 422.25, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return. In lieu of the period of limitation for any prior year for which an overpayment of tax or an elimination or reduction of an underpayment of tax due for that prior year results from the carryback to that prior year of a net operating loss or net capital loss, the period is the period of limitation for the taxable year of the net operating loss or net capital loss which results in the carryback. If the tax found due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in subsection 2, and shall mail a notice of assessment to the taxpayer and, if applicable, to the taxpayer's authorized representative of the total, which shall be computed as a sum certain ~~if paid on or before,~~ with interest computed to the last day of the month in which the notice is dated, ~~or on or before the last day of the following month if the notice is dated after the twentieth day of any month.~~ The notice shall also inform the taxpayer of the additional interest and penalty which will be added to the total due if not paid on or before the last day of the applicable month.

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DIVISION II
SALES TAXES

Sec. 2. Section 423.37, subsection 2, Code 2013, is amended to read as follows:

2. If a return required by this subchapter is not filed, or if a return when filed is incorrect or insufficient ~~and the maker fails to file a corrected or sufficient return within twenty days after the same is required by notice from~~

1 ~~the department~~, the department shall determine the amount of
2 tax due from information as the department may be able to
3 obtain and, if necessary, may estimate the tax on the basis of
4 external indices, such as number of employees of the person
5 concerned, rentals paid by the person, stock on hand, or other
6 factors. The determination may be made using any generally
7 recognized valid and reliable sampling technique, whether or
8 not the person being audited has complete records, as mutually
9 agreed upon by the department and the taxpayer. The department
10 shall give notice of the determination to the person liable
11 for the tax. The determination shall fix the tax unless the
12 person against whom it is assessed shall, within sixty days
13 after the giving of notice of the determination, apply to the
14 director for a hearing or unless the taxpayer contests the
15 determination by paying the tax, interest, and penalty and
16 timely filing a claim for refund. At the hearing, evidence may
17 be offered to support the determination or to prove that it is
18 incorrect. After the hearing the director shall give notice of
19 the decision to the person liable for the tax.

20 DIVISION III

21 ENVIRONMENTAL PROTECTION CHARGE

22 Sec. 3. Section 424.10, subsection 2, paragraph a, Code
23 2013, is amended to read as follows:

24 a. If a return required by this chapter is not filed, or
25 if a return when filed is incorrect or insufficient ~~and the~~
26 ~~maker fails to file a corrected or sufficient return within~~
27 ~~twenty days after the return is required by notice from the~~
28 ~~department~~, the department shall determine the amount of charge
29 due from information as the department may be able to obtain
30 and, if necessary, may estimate the charge on the basis of
31 external indices or factors. The department shall give notice
32 of the determination to the person liable for the charge. The
33 determination shall fix the charge unless the person against
34 whom it is assessed shall, within sixty days after the date
35 of the notice of the determination, apply to the director for

1 a hearing or unless the person against whom it is assessed
2 contests the determination by paying the charge, interest, and
3 penalty and timely filing a claim for refund. At the hearing
4 evidence may be offered to support the determination or to
5 prove that it is incorrect. After the hearing the director
6 shall give notice of the decision to the person liable for the
7 charge.

8 DIVISION IV
9 PROPERTY TAX

10 Sec. 4. Section 421.17, subsection 2, Code 2013, is amended
11 by adding the following new paragraph:

12 NEW PARAGRAPH. *d.* To facilitate uniformity and equalization
13 of assessments throughout the state of Iowa and to facilitate
14 transfers of funds to local governments, the director may
15 use geographic information system technology and may require
16 assessing authorities and local governments that have adopted
17 compatible technology to provide information to the department
18 electronically using electronic geographic information system
19 file formats.

20 Sec. 5. Section 441.5, subsection 1, Code 2013, is amended
21 to read as follows:

22 1. For the purpose of examining and certifying candidates
23 for the positions of assessor and deputy assessor, the
24 director of revenue shall prepare ~~and administer a written~~
25 an examination and provide for an examination process. ~~The~~
26 ~~examinations shall be administered twice each year in the city~~
27 ~~of Des Moines. Notification of the time, place, and date~~
28 ~~of the examinations shall be mailed to each city and county~~
29 ~~assessor, county auditor and chairperson of each city and~~
30 ~~county conference board~~ The director shall approve one or more
31 examination locations and shall make a list of the approved
32 locations available to applicants. Each applicant shall select
33 an examination location from the list of approved locations.
34 The director shall notify applicants of the date and time of
35 the examination at least thirty days prior to the date of the

1 examination.

2 Sec. 6. Section 441.5, subsection 4, Code 2013, is amended
3 to read as follows:

4 4. The director of revenue shall grade the examination
5 taken. The director shall notify, ~~in writing,~~ each applicant
6 of the score attained by the applicant on the examination. An
7 individual who attains a score of seventy percent or greater on
8 the examination is eligible to be certified by the director of
9 revenue as a candidate for any assessor position. Any person
10 who passes the examination and who possesses at least two years
11 of appraisal related experience as determined by the director
12 of revenue shall be granted regular certification and become
13 eligible for appointment to a six-year term as assessor. Any
14 person who passes the examination but who lacks such experience
15 shall be granted temporary certification, and shall be eligible
16 for a provisional appointment as assessor.

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EXPLANATION

18 This bill relates to the administration of the tax and
19 related laws by the department of revenue.

20 Division I relates to the individual and corporate income
21 tax. The division strikes language in Code section 422.25
22 to eliminate the requirement that notices of assessment
23 issued after the twentieth day of a month include an interest
24 calculation for the next month. By reference, this change
25 applies to the real estate transfer tax in Code chapter 428A.

26 Division II relates to sales and use taxes and, by reference,
27 the monitor vending machine excise tax, motor vehicle fee for
28 new registration, the hotel and motel tax, the local option
29 sales and services tax, the automobile rental excise tax, and
30 the equipment tax.

31 The division strikes language in Code section 423.37 to
32 eliminate the requirement that the department send a notice
33 to filers of applicable tax returns if the return is either
34 incorrect or insufficient. The department would be authorized
35 to determine the amount of tax due and send a notice of

1 assessment to the person liable for the tax.

2 Division III relates to the environmental protection charge
3 on petroleum diminution.

4 The division strikes language in Code section 422.10 to
5 eliminate the requirement that the department send a notice to
6 filers of environmental protection charge returns if the return
7 is either incorrect or insufficient. The department would be
8 authorized to determine the amount of tax due and send a notice
9 of assessment to the person liable for the tax.

10 Division IV relates to property taxes.

11 The division amends the powers and duties of the director
12 of revenue in Code section 421.17 to allow the director to use
13 geographic information system (GIS) technology to facilitate
14 uniformity and equalization of assessments and to facilitate
15 transfers of funds to local governments. The director may also
16 require assessing authorities and local governments that have
17 adopted compatible technology to provide information to the
18 department electronically using GIS file formats.

19 The division amends the procedures related to the
20 examination in Code section 441.5 for assessors and deputy
21 assessors by removing requirements that the director of revenue
22 administer a written examination biannually in the city of Des
23 Moines, that notification of the time and place of examinations
24 be mailed 30 days in advance to each city and county assessor,
25 county auditor, and chairperson of each city and county
26 conference board, and that each applicant be notified in
27 writing of their examination score. The amended language would
28 require that the director prepare an examination and provide
29 for an examination process, approve one or more examination
30 locations and make a list of the approved locations available
31 to applicants, notify applicants 30 days in advance of the
32 date and time of their examination, and notify applicants of
33 their examination score. Applicants would be able to select
34 an examination location from the list of approved locations
35 provided by the director.